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AGRICULTURAL OUTLOOK DIGEST

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June 1 crop prospects for most of the U. S. appear favorable.

Below-normal temperatures during May slowed crop progress in many sections of the country. Delayed plantings also contributed to the lateness of the season. But for the nation as a whole, these factors should not affect 1961 crop output.

LIVESTOCK--Hog production is currently close to 1960 levels but is expected to move above for the remainder of the year. The 1961 pig crop is likely to be 5 percent larger than that of 1960. Spring pigs are 7 percent larger Fall pigs are estimated 3 percent larger Hog prices this summer will probably average close to those of last summer, but prices this fall and winter will be a little lower than a year earlier.

Fed cattle slaughter in the first half of 1961 was about 4 percent above the same period last year. Although slaughter for the rest of the year is likely to be higher than a year earlier, the year's total will probably not be large enough to halt the inventory expansion. Prices of fed cattle have held relatively steady in recent weeks, following a \$5.00 decline from their January high.

DAIRY--The daily rate of milk output from January through May was 1 percent larger than a year ago. The gain probably would have been greater if below-normal temperatures had not slowed pasture development in April and May. Milk-feed price relationships are likely to continue favorable over the next several months. For the year as a whole, output is likely to exceed the 122.9 billion pound of 1960 by more than the 0.9 billion pounds increase of last year.

POULTRY AND EGGS--Broiler prices in May were the lowest since 1940, when price reporting for broilers began. The mid-May average prices to producer at 14.4 cents per pound, were 1.1 cents below April 1961, and 3.1 cents below May 1960. Since mid-May, prices have dropped still further and in the third week of June southern producers were reporting prices of around 12 cents per pound.

Only a slight improvement in broiler prices is expected through early July. The reason is that chick replacements in the 22 leading broiler producing States were up substantially in April and in May from a year earlier.

An increase in egg production and probable lower prices are in prospect this fall compared with a year ago. Although hatchery output of replacement type chicks in May and June was lower than a year ago, it was 19 percent higher from January through April.

FEED--Sign-up of farmers was heavy under the feed grain program. Through June 1, the national deadline, corn producers indicated their intentions to divert 20.1 million acres to soil conserving uses. This represents 24 percent of the average acreage planted to corn in 1959-60. Grain sorghum farmers indicated their intentions to idle 6.6 million acres--35 percent of the

average plantings of 18.7 million acres during 1959-60. The heavy sign-up indicates smaller acreage and production are in prospect for these grains in 1961.

FATS AND OILS--While soybean oil prices have declined sharply from the 1960-61 season's peak in April, they nevertheless are expected to remain strong for the rest of the year, averaging well above the 9.1 cents per pound of June-September 1960. This price strength stems from slightly smaller supply of food fats during the current marketing year, a new high in domestic consumption, and near-record exports.

TOBACCO--U. S. smokers consumed an estimated record 492 billion cigarettes from July 1960 to June 1961--2 percent higher than in 1959-60. About another 25 billion were exported or shipped to U. S. island possessions. About 7 billion cigars and cigarillos were consumed in 1960-61, nearly the same as in 1959-60.

WHEAT--The winter wheat crop is forecast at 1,121 million bushels and the spring crop is 222 million bushels, indicating a total wheat harvest in 1961 of 1,343 million bushels. This is 1 percent less than last year's output but 23 percent above the 1950-59 average. Carryover on July 1, 1961, is expected to be about 1,414 million bushels, about 100 million more than last year.

WOOL--The average price received for shorn wool for the 1960 marketing season was 42.0 cents per pound, compared with 43.3 cents of a season ago. Incentive payments will amount to 47.6 percent of dollar returns each producer received from the sale of shorn wool; they were 43.2 percent for the 1959 season.

FRUITS--Output of deciduous fruits is expected to be somewhat larger than in 1960. Larger crops are likely for peaches, sweet cherries, fresh plums, and strawberries; smaller crops, for apricots and sour cherries in the Western States. The apple crop should be considerably larger than last year.

Condition of 1961-62 crop of oranges and grapefruits on June 1 was below last year. Lemons were higher. These will be reflected in the size of the citrus crop, which begins harvest this fall.

VEGETABLES--Development of fresh vegetable crops in most sections has been delayed by the weather. Moderately less fresh vegetables will be available in early summer than a year earlier but substantially more than the 1950-59 average. Prospective output of early summer carrots is larger than a year ago, but output prospects for early summer sweet corn, cucumbers, onions, and tomatoes are smaller. Cabbage, celery, and green peppers are close to year-ago levels.

Supplies of both watermelons and cantaloups during the next few weeks are expected to be materially smaller than in 1960. Early summer watermelons are down 12 percent from last year; cantaloups are expected to be down 8 percent. Reason: Smaller acreages and unfavorable weather in some areas.